

State of South Dakota

EIGHTY-NINTH SESSION LEGISLATIVE ASSEMBLY, 2014

931V0661

HOUSE BILL NO. 1260

Introduced by: Representatives Feickert, Feinstein, Gibson, Hawks, Hawley, Heinert, Hoffman, Killer, Kirschman, Parsley, Soli, Tyler, and Wismer and Senators Welke and Lucas

1 FOR AN ACT ENTITLED, An Act to extend the time period for a party to object to a written
2 confirmation of certain grain contracts before the written confirmation is sufficient to
3 indicate a contract for sale has been made between the parties.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. That § 57A-2-201 be amended to read as follows:

6 57A-2-201. (1) Except as otherwise provided in this section a contract for the sale of goods
7 for the price of five hundred dollars or more is not enforceable by way of action or defense
8 unless there is some writing sufficient to indicate that a contract for sale has been made between
9 the parties and signed by the party against whom enforcement is sought or by his authorized
10 agent or broker. A writing is not insufficient because it omits or incorrectly states a term agreed
11 upon but the contract is not enforceable under this paragraph beyond the quantity of goods
12 shown in such writing.

13 (2) Between merchants if within a reasonable time a writing in confirmation of the contract
14 and sufficient against the sender is received and the party receiving it has reason to know its



1 contents, it satisfies the requirements of subsection (1) against such party unless written notice
2 of objection to its contents is given within ten days after it is received.

3 (3) A contract which does not satisfy the requirements of subsection (1) but which is valid
4 in other respects is enforceable

5 (a) If the goods are to be specially manufactured for the buyer and are not suitable for
6 sale to others in the ordinary course of the seller's business and the seller, before
7 notice of repudiation is received and under circumstances which reasonably indicate
8 that the goods are for the buyer, has made either a substantial beginning of their
9 manufacture or commitments for their procurement; or

10 (b) If the party against whom enforcement is sought admits in his pleading, testimony or
11 otherwise in court that a contract for sale was made, but the contract is not
12 enforceable under this provision beyond the quantity of goods admitted; or

13 (c) With respect to goods for which payment has been made and accepted or which have
14 been received and accepted (§ 57A-2-606); or

15 (d) With respect to the sale of grain, grain sorghums, beans and oil seeds:

16 (i) If the party seeking enforcement of the contract has a recorded statement of the
17 contract terms with the party against whom enforcement is sought or a
18 noncontract party's verbal or written verification of the contract terms
19 confirmed by the party against whom enforcement is sought; or

20 (ii) If the party seeking enforcement of the contract has a written agreement by the
21 party against whom enforcement is sought providing for the enforcement of
22 verbal contracts; or

23 (iii) If within a reasonable time a writing in confirmation of the contract and
24 sufficient against the sender is received and the party receiving the writing in

1 confirmation has reason to know its contents, the writing in confirmation
2 satisfies the requirements of subsection (1) of this section against such party
3 unless written notice of objection to its contents is given within ~~two~~ five days
4 after the writing in confirmation is received.